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Committees: Labor, Commerce, Research & Development, ranking Republican;  
Health & Long-Term Care; Ways & Means; Rules

**January 20, 2006**

The Legislature is finishing week two of the 59<sup>th</sup> Legislature in Olympia. The highlight of the week for me was all of the visits from the folks from home, which included county commissioners, business owners and the Wenatchee delegation that testified on behalf of Senate Bill 6230 (which is discussed further under the prime bills sponsored section of this update). As I mentioned at the beginning of the hearing, they brought the sunshine with them. It has been rainy every day of session except for that day when they came here to testify.

### **Update on bills I've prime-sponsored this session**

In last week's e-mail newsletter, I provided a rundown on the bills that I prime-sponsored up to that point. Below is an update on those proposals, plus a new one introduced this week:

- **Senate Bill 6130** requires the Public Employees Benefits Board to make health savings accounts an option for public employees. It is in the Senate Ways and Means Committee.
- **Senate Bill 6230** extends the state sales and use tax credit for certain public facilities districts (PFDs). This measure is designed to help the proposed regional events center associated with the Wenatchee downtown waterfront project. The bill received a public hearing on Tuesday, Jan. 17 in the Senate Ways and Means Committee, where it received a positive reception. The Wenatchee delegation, led by Wenatchee Mayor Dennis Johnson, testified in favor of the bill, pointing out the benefits that a new regional events center would provide for not only Wenatchee but north Central Washington as well. The Wenatchee delegation also testified in favor of a similar measure, House Bill 2447, that was heard this week in the House Finance Committee. HB 2447 is prime-sponsored by 12<sup>th</sup> District Rep. Cary Condotta. A PFD retains part of the sales tax normally sent to the state at the local level. This is later bonded against for the purpose of building the new regional event center. If the Ways and Means Committee passes SB 6230, the next step is send it to the Senate Rules Committee.
- **Senate Bill 6333** requires voters to provide photo identification when they vote at the polls. It is in the Senate Government Operations and Elections Committee. Valid photo ID would include a valid driver's license, a valid state identification card, a valid U.S. passport or a valid tribal identification card.
- **Senate Bill 6734** calls for study of the state's minimum wage system. In 1998, Washington voters passed an initiative (I-688) creating a minimum wage that rises annually based on the consumer price index, which is a national index covering the cost of goods and services needed for day-to-day living. As a result of this formula, Washington's minimum wage rate is now \$7.63 an hour, up 28 cents from last year's rate of \$7.35. Washington continues to have the highest rate in the U.S., and we are far higher than the federal minimum wage rate of \$5.15.

When you consider the burden that Washington's minimum wage has placed on the backs of small business owners, it's clear to me and other pro-jobs legislators that we need to rein in Washington's minimum wage law. That's why I have prime-sponsored SB 6734, which would

freeze our minimum wage at \$7.63 per hour and also require the Washington State Institute of Public Policy to study its effects. My proposal has been referred to the Senate Labor, Commerce, Research and Development Committee, on which I'm the ranking Republican member.

Under this study, the WSIPP would address:

- the extent to which the minimum wage is paid in various industries and occupations in Washington;
- a demographic analysis of persons earning the minimum wage, including race, ethnicity, gender, marital status, age, household composition, the number of dependents a minimum wage earner supports, and whether the person is the sole wage earner in the household;
- the average amount of time an employee who remains with the same employer is paid the minimum wage;
- a comparison of minimum wage laws in other states;
- the impact of the minimum wage on job creation and job loss from 1990 to now;
- whether there is any correlation between changes in the state minimum wage and the state unemployment rate, or the unemployment rate in a particular industry;
- wage compression or expansion for workers earning up to 130 percent of the minimum wage;
- economic activity and wage progression in industries with large number of low-wage workers compared to moderate- and high-wage industries in Washington;
- the minimum wage's effect on the federal poverty level rates of low-income workers in this state;
- the rate at which minimum wage workers and their families use public benefits;
- differences in economic activity attributable to the minimum wage in comparison with similar activity in Oregon, Idaho and other state similar to Washington's economic size and industrial base; and
- the potential impact on employers and employees of a minimum tipped wage.

Last year, the Senate voted 47-2 to pass a measure (**SSB 5551, prime-sponsored by Sen. Jim Hargrove**) that called for a similar study but didn't require a minimum wage freeze. However, that proposal died in the House Rules Committee. I pulled SB 5551 from the Senate Rules Committee this week.

### **Budget Tidbits...just the facts**

As he did during session last year, Sen. Joe Zarelli, the ranking Republican member of the Senate budget-writing committee, Ways and Means, each week publishes *Budget Tidbits...just the facts* on the Senate Republican Web site. For those interested in the budget process, the first two editions are available now. I didn't include last week's Budget Tidbits edition, so I'm mentioning both editions that are now available. The first edition is called "Constitutional Rainy Day Fund – An Idea Whose Time Has Come." The second edition of Budget Tidbits is called "Pension Funding Policy: Not a Good Start – Part 1." To find these two editions of Budget Tidbits, go to <http://www1.leg.wa.gov/Senate/SRC>, then click on SRC Media Center and scroll down.

### **In fact, here is more information on this proposed constitutional amendment:**

Lawmakers will consider a constitutional amendment this year that requires the state to set aside 1 percent of general fund revenue each year to prevent hurtful cuts and tax increases during economic downturns. During the post-9/11 recession, the Legislature faced huge revenue shortfalls just to keep up with current obligations. In 2003, majority Republicans restrained spending to cope with the revenue shortfall. In 2005, majority Democrats raised taxes. This year, we have an unexpected surplus and there will be an effort to spend more than we should, creating a small deficit to start off the 2007-09 biennium. This proposed constitutional amendment, if approved by a two-thirds vote of the Legislature and a majority vote of the people, will end the

era of drastic tax increases during lean times and unrestrained spending during times of plenty.  
(Senate Bill 6471/Senate Joint Resolution 8222)

### **“Pay or Play” bills introduced in Legislature**

Public hearings were held this week on two proposals (Senate Bill 6356 and House Bill 2517) that would require companies with more than 5,000 employees to provide affordable health insurance to their workers. The bills require such companies to spend 9 percent or more of payroll on health benefits or pay into a special fund run by the Department of Labor and Industries that would transfer the payments into a health services account used to subsidize health care for low-income workers. This proposal has drawn criticism from Wal-Mart, as well as business associations, which have noted that the bills could reduce the number of jobs, force some businesses’ facilities out of state, raise prices to consumers and hold down wages for workers.

### **Bill exempts people in trusted positions from using the Sex Offender Alternative Sentencing Act (SSOSA) to avoid prison time**

Under **Senate Bill 6669**, now being considered by the Senate Committee on Judiciary, no member of the clergy, school employee, counselor, elected official or officer of the court may apply for a deferred sentence and community-based treatment if he or she molests a child with whom there is a trusted relationship or when the child victim possesses knowledge of the offender’s position of authority. Stopping the abuse of SSOSA is a key part of “Jessica’s Law Plus.”

### **SB 6669, part of the Republican Commitment to Washington**

**CONSUMER ALERT:** Washington Attorney General Rob McKenna has issued a consumer alert to warn citizens about a telephone scam in which the caller claims to work for the Department of Health. The caller says the agency is offering some sort of incentive, such as a discount card for health services, a voucher good for prescriptions, or a \$1,000 shopping spree. The caller then asks for the person’s bank account information or gives bogus bank account information and asks the person to verify. Similar calls have been reported in Colorado, Oklahoma, Pennsylvania, Texas and Virginia. The calls in all states are likely coming from one operation. Consumers that believe they have been a victim of fraud should immediately contact their bank. For more information about what to do if you become a victim of identity theft, contact the Federal Trade Commission at 1-877-438-4338 or the Attorney General McKenna’s office at 1-800-551-4636.

I appreciate getting your feedback on my weekly e-mail update, so don’t hesitate to let me know what you think of the issues mentioned here or any other issue before the Legislature. Have a great weekend!

✓ Legislative Toll Free Hotline: 1-800-562-6000

✓ For up-to-date information about the efforts of the Republican members of the Senate, please visit our Web site at [www.src.wa.gov](http://www.src.wa.gov).

✓ For information about public hearings and proposed new laws, please visit the Legislature’s Information Web site at [www.leg.wa.gov](http://www.leg.wa.gov).